

Introduced by Senator Margett

February 22, 2006

An act to add Section 8356.2 to the Education Code, relating to child care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1421, as introduced, Margett. Child care: CalWORKs recipients: fraud.

Existing law requires that child care be provided in various stages to recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Existing law provides that the first stage of child care begins upon the entry of a person into the CalWORKs program. Existing law provides that the second stage of child care begins when a county determines that the work or approved work activity of the recipient is stable or when a recipient is transitioning off of aid and child care is available through a local stage two program. Existing law provides that the third stage of child care begins when a funded child care space becomes available for the child or children of the eligible CalWORKs recipient.

Existing law requires the State Department of Education to perform an error rate study to estimate the percentage of errors in the alternative payment and CalWORKs programs, and to report in writing to the Legislature designated information regarding the study. Existing law also requires the department to develop recommendations for the prevention of child care fraud and programmatic errors and the identification and collection of child care overpayments, and report the recommendations to the Legislature by April 1, 2005. Existing law requires the department to post existing best practices for the prevention of fraud and overpayment considered in making those recommendations on the Internet Web site of the

department, and requires child care contracts entered into on or after July 1, 2005, to implement those best practices.

This bill would require the State Department of Education, subject to approval by the State Board of Education, to establish a two-year pilot project in the County of Los Angeles to investigate potential incidents of fraud regarding second and third stage child care. The bill would require the county welfare department of the County of Los Angeles that is responsible for administering the second and third stages of child care to, upon completion of the pilot project, prepare and submit to the Legislature a report, as specified, regarding investigations conducted pursuant to the pilot project, thereby imposing a state-mandated local program.

This bill would make legislative findings and declarations regarding the need for special legislation.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8356.2 is added to the Education Code,
2 to read:
3 8356.2. (a) The department, subject to approval by the state
4 board, shall establish a two-year pilot project in the County of
5 Los Angeles to investigate potential incidents of fraud regarding
6 the second and third stages of child care pursuant to this article.
7 (b) It is the intent of the Legislature in enacting this section
8 that the pilot project established by the department pursuant to
9 subdivision (a) provide for increased communication and
10 coordination between the Child Development Division of the
11 department, the Office of the District Attorney for the County of
12 Los Angeles, and the county welfare department of the County of

1 Los Angeles that is responsible for administering the second and
2 third stages of child care pursuant to this article.

3 (c) The county welfare department of the County of Los
4 Angeles that is responsible for administering the second and third
5 stages of child care pursuant to this article shall, upon completion
6 of the second year of the pilot project, prepare and submit to the
7 Legislature a report that includes, at a minimum, all of the
8 following information:

9 (1) The number of cases for which investigations were
10 conducted pursuant to the pilot project.

11 (2) The type of each case for which an investigation was
12 conducted pursuant to the pilot project.

13 (3) The result of each of the investigations conducted pursuant
14 to the pilot project.

15 (4) Recommendations for improvements to the process of
16 conducting investigations of potential incidents of fraud
17 regarding the provision of child care to CalWORKs recipients
18 pursuant to this article.

19 SEC. 2. The Legislature finds and declares that a special law
20 is necessary and that a general law can not be made applicable
21 within the meaning of Section 16 of Article IV of the California
22 Constitution because of the number of potential incidents of
23 fraud regarding child care within the County of Los Angeles.

24 SEC. 3. If the Commission on State Mandates determines that
25 this act contains costs mandated by the state, reimbursement to
26 local agencies and school districts for those costs shall be made
27 pursuant to Part 7 (commencing with Section 17500) of Division
28 4 of Title 2 of the Government Code.